GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2922
ANSWERED ON:10.08.2000
FOREIGN EQUITY IN POWER
M.V.CHANDRASHEKHARA MURTHY;RAMESH CHAND TOMAR

Will the Minister of POWER be pleased to state:

(a) whether the Government have allowed 100 percent foreign equity in power sector as reported in `The Hindu` dated June 13, 2000;

(b) if so, the reasons therefor and justification thereon;

(c) whether 100 percent foreign equity permission will have an adverse impact on indigenous private sector power companies;

(d) if so, the details thereof;

(e) whether the Government propose to reconsider its decision in view of indigeneous companies; and

(f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Keeping in view the growing demand for power in the country and the need for more investment in this sector, the Government of India, as part of further liberalisation of the Foreign Direct Investment regime, has on June 12, 2000,decided to remove the upper limit for foreign direct investment in respect of projects relating to electric generation, transmission and distribution (other than atomic reactor power plants).

(c): No, Sir.

(d): Does not arise in view of reply to (c) above.

(e): No, Sir.

(f): Does not arise in view of reply to (e) above.